

## Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01  
CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15  
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01  
/100 R

DRAFTED BY COM:TNAD/OTP/BIEPR: DGARDNER  
APPROVED BY EB/OT/TA:DJDUNFORD  
COM:TNAD/OTP/BIEPR: WKRIST  
STR: HLAWARENCE  
COM:TNAD/OTP/BIEPR: SCRAVEN  
TREASURY: EBARBER  
COM:OIFI/BIEPR: VTRAVAGLINI  
AGRICULTURE: JHUDSON  
COM:OER/BIEPR: JMENES  
STATE: RMEYER  
LABOR:FLAVALLEE  
EUR:RPE:RLAMANTIA

-----039491 020655Z /12

R 020143Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY ROME  
INFO USMISSION GENEVA

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USMTN FOR MTN GENEVA

E.O. 11652: N/A

TAGS:ETRD, GATT, IT

SUBJECT:NOTIFICATIONS OF SERVICES RESTRAINTS IN THE MTN

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1. THE TRADE ACT OF 1974 URGES THE PRESIDENT TO TAKE ALL  
FEASIBLE STEPS TO ELIMINATE BARRIERS TO INTERNATIONAL TRADE  
IN BOTH GOODS AND SERVICES AND INCLUDES SERVICES WITHIN THE  
PRESIDENT'S NEGOTIATING AUTHORITY FOR THE FIRST TIME. TO  
CARRY OUT THE TRADE ACT'S MANDATE ON SERVICES, STUDIES HAVE  
BEEN UNDERTAKEN BY THE COMMERCE DEPARTMENT AND BY THE  
ACCOUNTING FIRM OF WOLF AND COMPANY UNDER CONTRACT. THESE

TWO STUDIES INDICATE A WIDE VARIETY OF RESTRAINTS AFFECTING THE INTERNATIONAL DISSEMINATION OF SERVICES SUCH AS INSURANCE, BANKING, TRANSPORTATION, CONSULTING ENGINEERING, FRANCHISING AND OTHERS. BOTH STUDIES, HOWEVER, CONCLUDE THAT THE GREAT MAJORITY OF RESTRAINTS ARE ASSOCIATED WITH INTERNATIONAL INVESTMENT, WITH A RELATIVELY SMALL PORTION BEING ASSOCIATED WITH INTERNATIONAL TRADE IN SERVICES. SINCE THE MTN IS CONCERNED WITH BARRIERS TO TRADE, INVESTMENT-ORIENTED SERVICES PROBLEMS ARE NOT APPROPRIATE FOR NEGOTIATION THERE. IN FACT, SOME OTHER COUNTRIES MAY EVEN RESIST THE INTRODUCTION OF TRADE-RELATED SERVICE PROBLEMS IN THE MTN SINCE THERE IS LITTLE PRECEDENT FOR DOING SO IN

PREVIOUS TRADE NEGOTIATIONS. ACCORDINGLY, U.S. SERVICE RESTRAINT NOTIFICATIONS IN THE MTN WILL INCLUDE ONLY

SIGNIFICANT RESTRICTIONS WHICH ARE ANALOGOUS TO NONTARIFF MEASURES AFFECTING TRADE IN GOODS.

2. BASED ON THE STUDIES MENTIONED ABOVE, WE HAVE SELECTED CANDIDATES FOR NOTIFICATION IN THE MTN. THE EMBASSY IS REQUESTED TO VERIFY THE EXISTENCE OF THE RESTRICTIONS LISTED IN PARA 4 BELOW. ALSO, THE EMBASSY IS REQUESTED TO (A) SUPPLY ANY ADDITIONAL INFORMATION AVAILABLE, PARTICULAR LIMITED OFFICIAL USE

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LATER WITH REGARD TO THE INTENT OF THE RESTRAINT AND ANY DISCRIMINATORY ASPECTS THEREOF, (B) ASSESS THE IMPORTANCE OF EACH OF THE RESTRAINTS LISTED IN TERMS OF ITS EFFECT ON ACTUAL OR POTENTIAL U.S. TRADE IN GOODS OR SERVICES, (C) ADVISE WHETHER OTHER SIGNIFICANT RESTRAINTS ON SERVICES HAVE BEEN OVERLOOKED, AND (D) ADVISE ON THE UTILITY OF ATTEMPTING TO REDUCE OR ELIMINATE THESE SERVICE RESTRAINTS IN THE MTN.

3. AS EMBASSY MAY BE AWARE, THE SPECIAL TRADE REPRESENTATIVE HAS RECENTLY AGREED WITH THE EUROPEAN COMMUNITY ON A TIMETABLE DESIGNED TO BRING THE MTN TO AN EARLY CONCLUSION. THIS HAS AN IMMEDIATE IMPACT ON THE TIMETABLE FOR OBTAINING INFORMATION ON RESTRICTIONS THE U.S. IS INTERESTED IN RAISING IN THE MTN. PRESENT PLANS REQUIRE THAT INTERAGENCY CONSIDERATION OF NOTIFICATION TEXTS BEGIN BY AUGUST 19 SO THAT NOTIFICATIONS CAN BE TABLED IN GENEVA AS SOON AS POSSIBLE THEREAFTER. ACCORDINGLY, THE EMBASSY IS REQUESTED TO REPLY BY AUGUST 8 TO ALLOW TIME FOR COMPILING RESPONSES INTO APPROPRIATE NOTIFICATIONS.

4. (A) IMPORTATION OF TV COMMERCIALS PRODUCED OUTSIDE

ITALY IS FORBIDDEN, THOUGH IT IS POSSIBLE TO IMPORT  
AND BROADCAST SOME IN SPECIAL CASES; AND (B) ALL ITALIAN  
COMPANIES ARE REQUIRED TO CO-INSURE A PROPORTION OF THEIR  
BUSINESS WITH THE STATE-OWNED REINSURANCE COMPANY. THE  
BASIS OF CO-INSURANCE IS UNFAVORABLE TO THE FOREIGN  
COMPANY IN THE OPINION OF U.S. INSURANCE SPOKESMEN SINCE  
THE PROPORTION OF BUSINESS WHICH MUST BE CO-INSURED  
,VARIES INVERSELY WITH THE AGE OF THE COMPANY AND THIS  
REQUIREMENT, THEREFORE, HAS THE EFFECT OF ENTRENCHING  
THE POSITION OF EXISTING COMPANIES." CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE CONTROLS, NEGOTIATIONS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** TNAD/OTP/BIEPR: DGARDNER  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Subject:** NOTIFICATIONS OF SERVICES RESTRAINTS IN THE MTN LIMITED OFFICIAL USE LIMITED OFFICIAL USE  
**TAGS:** ETRD, IT, GATT, MTN  
**To:** ROME  
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**Review Markings:**  
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